

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6792

BILL NUMBER: HB 1423

DATE PREPARED: Dec 16, 1998

BILL AMENDED:

SUBJECT: Repayment of loans for fire equipment.

FISCAL ANALYST: Kristin Breen

PHONE NUMBER: 232-9567

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill forgives and releases the obligation of a community or provider listed in P.L. 340-1995, SECTION 37, for a loan issued under the fire safety revolving loan account to repay the loan.

Effective Date: July 1, 1999.

Explanation of State Expenditures:

Explanation of State Revenues: This bill forgives and releases the obligation of those communities and fire safety service providers listed in P.L. 340 - 1995, Section 37 to repay loans issued under the Fire Safety Equipment Revolving Loan Account within the Build Indiana Fund. This would eliminate the repayment of those loans to the account. Without the repayment of those loans, there will less money in the account to loan to other communities and fire safety service providers.

P.L. 340 - 1995 appropriated \$3 million to this account. Almost all of the \$3 million has been loaned, of which only 50% is supposed to be repaid to the account. **As of November 6, 1998, those communities listed in P.L. 340 had an outstanding loan balance of \$586,214.** The unobligated balance of the account was \$82,198 as of November 12, 1998. No interest is owed on these loans. This amount may change before July 1, 1999 if additional loans or repayments are made.

Explanation of Local Expenditures: This bill forgives and releases the obligation of those communities and fire safety service providers listed in P.L. 340 - 1995, Section 37 to repay loans issued under the Fire Safety Equipment Revolving Loan Account. Therefore, these communities and fire safety service providers do not have to pay back the loans. Almost all of the \$3 million has been loaned to communities and fire safety service providers, of which only 50% has to be repaid to the account. As of November 6, 1998, those communities listed in P.L. 340 had an outstanding loan balance of \$586,214.

The loans were made for the purchase and lease of fire safety equipment, especially fire engines and necessary or useful equipment related to fire engines and fire safety.

Explanation of Local Revenues:

State Agencies Affected: State Budget Agency.

Local Agencies Affected: Town of Mentone; City of Seymour; Town of Vevay; City of North Vernon; Henry Township Volunteer Fire Department (Fulton County); Swayzee Volunteer Fire Department (Grant County); Orange Township Volunteer Fire Department (Noble County); Sheffield Township (Tippecanoe County); Milan Volunteer Fire Department (Ripley County); Clay Township Volunteer Fire Department (Owen County); Lake Township - Arcola Volunteer Fire Department (Allen County); Mexico Community Fire Association (Miami County); Elberfield (Warrick County).

Information Sources: Dave Dukes, State Budget Agency, 232-2974.